(b) if not, the actual amount of this exemption; and

(c) the estimated percentage of the exemptions against the total recovery of import tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The total duty foregone under various export promotion schemes was Rs. 41029.43 Crores during 2004-05. The duty foregone as the percentage of customs duty collection was 72.9% during 2004-05.

Group of Ministers for Public investments

141. SHRI MOOLCHAND MEENA: DR.
T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Prime Minister has set up a 10-Member Group of Ministers headed by him for alternative decision making process on investments, particularly public investments;

(b) whether a proposal was submitted by Minister of Power regarding delays caused in taking decisions on investment in power projects; and

(c) if so, what are the main alternatives issued to the proposed committee and to what extent this committee will be helpful in taking immediate decision on investments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Sir, the Government has constituted a Group of Ministers (GoM), under Chairmanship of Finance Minister to examine a proposal of Ministry of Power regarding alternative formulation for improvements in project investment decision procedures The recommendations of the GoM are awaiting Government approval.

Loans to Small and Medium Enterprises

142. DR. GHHATTRAPAL SINGH LODHA:
PROF. R.B.S. VARMA:

Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.

(a) whether it is a fact that Government propose to formulate a plan to provide long term loans to small and medium enterprises;

(b) if so, the details thereof; and

(c) by when the plan is likely to be started?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Government is in consultation with all stakeholders so as to formalize a policy for enhancing the flow of credit to small and medium enterprises. Preparation of the policy is in the final stage.

Provision of loans at low interest rate to farmers

143. SHRI JANARDAN DWIVEDI:
SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn towards the fact that there is a need to provide more and more loans at less rate of interest than common rate of interest to agricultural sector alongwith the small and medium entrepreneurs;

(b) if so, details thereof;

(c) if not, whether this will have any impact on the rate of GDP;

(d) whether Government have chalked out any outlines in this regard; and

(e) if not, the concrete steps Government have taken/propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Interest rates on loans given by the banks are deregulated and banks are free to determine the rate of interest taking into account the cost of funds and the risk cost involved. However, interest rate on loans by Commercial Banks upto Rs. 2.00 lakhs should not exceed the Benchmark Prime Lending Rate (BPLR). Further, Indian Bank's Association has advised commercial banks to charge interest rate of not more than 9% p.a. on crop loans upto Rs. 50.000/-.

†Original notice of the question was received in Hindi.